

# Audit's<sup>®</sup> MARKET ANALYSIS OF REITS AND REAL ESTATE COMPANIES

# Realty Stock Review

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## Market Strategy: Realty Credit Crunch Nearing Bottom?

On the theory that it's darkest before the dawn, we can't escape the feeling that April's big slug of bad news for realty stocks may mark somewhere near a bottom for this credit cycle. Three real estate companies and/or REITs sought Ch. XI bankruptcy protection this month and Ames Department Stores, the nation's fourth largest discounter, followed them into court this week.

The reports we get from the firing lines of financial officers dealing with banks suggest that tighter lending rules put out to bank examiners by the Comptroller of the Currency are wreaking all sorts of havoc. In some instances it seems that regulators are willing to sacrifice asset and going-business values for the sake of hewing to the strict new rules being applied to both existing and new loans. Some of the bureaucratic jargon surrounding those rules tells a lot about where regulators are coming from.

**Example:** Loans deemed by examiners to have low borrower equity are being classed as "in-substance foreclosures," even though borrower payments are current. The S.E.C. and accounting bodies have developed guidelines for determining when a loan becomes an in-substance foreclosure, and they include examiner judgments that (1) repayment proceeds will come mainly from the collateral or (2) borrower equity is unlikely soon.

All this has created a new class of loans at banks: the *performing non-performing loan* (i.e., a loan classed as non-performing by examiners but current on interest).

**Example:** One of Mortgage & Realty Trust's bank lenders told MRT it would have to send a 15-person team into MRT's offices for two or three days to check documentation before its existing loan could become part of MRT's aborted credit agreement (see p. 5). The bank had al-

ready inspected 25% of MRT's properties and loans in the field. Bank officers said this diligence was needed to prevent any participation in a MRT credit from being classed as "non-performing" immediately.

Currency Comptroller Robert Clarke defends these practices as being "anticipatory without being unreasonable." Yet there's some evidence that this Alice-in-Wonderland world of judgment calls — from which there is no effective appeal — isn't washing too well in Congress. The House Small Business Committee heard testimony April 25 on whether Federal regulators were in fact choking off credit to small businesses in New England. The Natl. Assn. of Homebuilders has mounted a major lobbying drive in Congress — unsuccessful to date — to soften some of the most onerous provisions of the S&L bailout law effective last December.

Our view is that these outbursts of regulatory zeal seldom last too long. There are too many opposing voices to be heard in our democracy and eventually some modification usually results.

The stock market responds to this ebb and flow by discounting future events.

The best example was in the middle 1970s: REIT stocks nosedived 66% from Nov. 1972 to Dec. 1974 as investors panicked over fear that all REITs would go bankrupt. When stocks hit bottom in Dec. 1974, REALTY STOCK REVIEW's tally showed 18% of REIT assets as nonearning.

In the three years that followed, nonearning assets nearly tripled to 55% of total assets (which fell by 25% to \$14.2 bil. as good assets were paid off or sold). Yet REIT stocks soared 85%. The market had already discounted the bad news and savvy investors were already rummaging through the ruins for bargains.

Today is eerily reminiscent of those times: We are getting phone calls from the bargain hunters of the late 1970s — people we haven't heard from for a decade or more — asking all manner of questions about realty companies and the recovery potential in specific stocks.

Realty stocks are now in the 38th month of their bear market. But if spring arrives, can summer be far behind? A recovery strategy seems to make the most sense to us at this market juncture. Inside on pages 3-6 we discuss specifics. Our current views are summed up in Portfolio Planner on page 2. Happy hunting.

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**NOW AVAILABLE:** Our revised brochure describing Audit's money management services. Our companion service **REALTY STOCK DIGEST** contains complete EPS, dividend and news reports on 250 realty stocks. Subscribers may call toll free 1-800-441-8414 or write for a free sample copy.



# Portfolio Planner of Stocks For Investment Goals

Portfolio Planner is designed as a Model Portfolio for long positions (first five sections below); a list of stocks to avoid or sell; and a group of less timely but still useful stocks (group below the heavy rule). Key elements of Selector are:

**1. Current Pricing Limit and Stop Loss Points for Each Stock.** We suggest initial, or limit, purchase prices plus check or sell prices in the two right hand columns.

We would follow these when placing buy/sell orders with brokers. Our check point prices change monthly with the market.

**2. Percentage Price Changes.** We show percentage price changes for recommended stocks in the latest month, and since the stocks were added to Portfolio Planner.

**3. Stocks Grouped for Investment**

**Goals.** Long positions are grouped into five major categories reflecting major investment goals. The first four groups are tailored for mainstream, risk-averse investing. The fifth group, Aggressive Recovery, contains stocks whose yield and recovery are speculative and riskier.

**4. Location and Region.** Selector lists major property types and regions so you can balance holdings.

Stock (Month recom.)	Entry Price	--Property Detail-- Type Reg.	Curr. Price	Chg.From recom.	Check Points Buy to / Sell At	Stock (Month recom.)	Entry Price	--Property Detail-- Type Reg.	Curr. Price	Chg.From recom.	Check Points Buy to / Sell At
<b>INCOME AND ASSET VALUE GROWTH</b>						<b>Health Care REIT (1/90)</b>					
Seasoned Equity REITs and Income Property Owners						15.00	MD	MW	13.13	(9.6)	15.00 13.50
Bradley RE (1/90)	9.88	SC NM	9.75	+0.8	10.50 8.88	ICM Prop. (1/90)	6.38	OF US	7.25	+17.5	7.00 5.75
Burnham Pacif. (1/90)	19.00	SC/OF CA	16.75	(10.1)	18.50 17.13	MGI Props. (1/90)	12.38	AP/OF US	11.75	(2.8)	13.00 11.13
Chicago Dock (1/90)	20.00	LD IL	17.75	(11.0)	20.00 18.00	Prop.Tr.Am (1/90)	9.25	SC/AP SW	8.50	(5.8)	9.50 8.38
Dial REIT (1/90)	16.25	SC MW	15.75	(3.1)	17.50 14.63	Webb (Del) Cp. (1/90)	9.25	HG SW	10.50	+15.4	10.50 8.38
EOK Green Ac. (1/90)	11.88	SC NY	12.38	+6.9	12.50 10.75	GROUP				(0.3)%	
Equit.RE Sh.LP (1/90)	7.63	SC MW	8.50	(4.7)	8.50 6.88						
Federal RI. (1/90)	20.75	SC NE	20.88	+2.3	22.50 18.63						
IRT Prop. (1/90)	12.38	SC SE	12.88	+6.4	13.00 11.13						
Intl. Income (1/90)	13.63	SC US	17.50	+33.2	17.50 12.25						
New Plan Rlty (1/90)	17.00	SC NE	17.00	+0.1	17.00 15.25						
Penn. REIT (1/90)	26.25	SC/AP NE	25.00	(3.4)	25.00 23.63						
Santa Anita (1/90)	28.50	SC/RA CA	27.00	(3.4)	28.50 25.63						
Shopco Lau.LP (1/90)	8.63	SC MD	7.88	(5.4)	8.50 7.75						
Utd.Dom. (1/90)	17.13	APT SE	15.75	(6.2)	17.00 15.38						
Wash. REIT (1/90)	17.63	OF/AP DC	18.50	+6.5	18.00 15.88						
Weingarten RI (1/90)	31.00	SC TX	30.25	(0.9)	31.00 27.88						
West. Inv.RE (1/90)	17.88	SC CA	17.25	(1.5)	19.00 16.13						
GROUP				(0.4)%							
<b>ABOVE AVERAGE INCOME, LOWER GROWTH &amp; INTEREST RISKS</b>						<b>AVOID/SELL</b> Stocks which may be vulnerable to price/dividend declines					
Fixed & Participating Mortgage REITs, Medical Leaseback REITs						BRT Realty (1/90)	12.25	MG NY	9.00	(22.4)	---
Amer. Health Pr. (1/90)	22.00	MD US	20.75	(3.0)	22.00 19.75	Cenvill Inv. (1/90)	9.50	MG FL	7.88	(13.4)	---
Health Care Pr. (1/90)	31.00	MD US	29.63	(2.0)	31.00 27.88	Genl. Dev. (1/90)	8.38	LD/HG FL	1.63	(80.6)	---
Nationwide Hlth. (1/90)	14.88	MD US	15.25	+5.6	16.00 13.38	Hotel Inv. (1/90)	5.63	HT US	3.50	(33.3)	---
Rock.Ctr.Prop. (1/90)	20.25	OF NY	18.50	(6.3)	20.00 18.25	Landmark Land (1/90)	9.63	LD W	12.00	+24.7	---
Univ.Hlth.RI (1/90)	13.00	MD US	12.25	(2.9)	13.00 11.75	Mig. Inv. Plus (3/90)	6.38	OF CA	5.38	(12.5)	---
GROUP				(2.1)%		Mig. & Rlty. Tr. (3/90)	6.38	DV US	5.50	(13.7)	---
<b>FASTER GROWTH, DEVELOPMENT RISKS PLUS PRICE VOLATILITY</b>						Pres. Rlty. B (1/90)	6.00	AP NY	6.38	+9.6	---
Investment Builders, Income Property Owners, & Equity MLPs						TOTAL AVOID/SELL				(17.7)%	
Forest City A (1/90)	39.25	SC/OF US	35.50	(9.0)	40.00 35.50						
Koger Prop. (1/90)	22.75	OF SE	20.50	(9.9)	22.00 20.50						
Rouse Co. (1/90)	24.00	SC/LD US	24.75	+3.8	25.50 21.63						
GROUP				(5.7)%							
<b>LONG TERM GROWTH VIA LAND DEVELOPMENT/RATE RISKS/PRICE VOLATILITY</b>						<b>LESS TIMELY STOCKS/STABLE INCOME &amp; SLOWER ASSET VALUE GROWTH</b>					
Land & Income Property Developers, Homebuilders						Income Property Owners/Equity and Mortgage REITs					
Centex Corp. (1/90)	33.25	HG/MT US	38.25	+15.3	37.50 29.88	BRE Properties (1/90)	27.88	AP/SC NW	27.13	(0.5)	27.50 25.13
Inter.Genl.LP (3/90)	7.75	LD/AP MD	8.50	+12.3	9.75 7.00	Cousins Props. (1/90)	15.75	LD/OF GA	15.00	(3.8)	16.00 14.13
Lennar Corp. (1/90)	18.63	HG FL	17.38	(6.4)	19.00 16.75	Eastgroup Prop. (1/90)	20.25	OF/IN US	17.38	(11.0)	18.00 18.25
Newhall Land (1/90)	28.88	LD CA	30.25	+5.5	30.00 26.00	Fed. Nat. Mtg. (1/90)	33.25	MG US	34.63	+5.1	36.00 29.88
Std.Pacific LP (1/90)	15.25	HG CA	13.00	(8.2)	15.00 13.75	HRE Props. (1/90)	19.50	SC/OF US	17.75	(7.7)	18.50 17.50
GROUP				+5.0%		Koger Equity (1/90)	19.00	OF SE	17.75	(4.2)	18.00 17.13
<b>AGGRESSIVE RECOVERY/TAKEOVER CANDIDATES/LIQUIDATIONS</b>						Mellon Partic. (1/90)	5.63	SC US	4.88	(10.3)	5.50 5.13
Less Certain Yield, Higher Price Volatility						Perini Invest. P. (1/90)	13.88	OF/IN US	12.50	(8.8)	13.00 12.50
Copley Prop. (1/90)	12.63	IN W	11.88	(3.1)	12.00 11.38	REIT of Calif. (1/90)	14.25	SC/OF CA	14.75	+6.0%	15.00 12.88
						<b>Recovery candidates: Builders/developers &amp; REITs</b>					
						CleveTrust Rlty. (1/90)	3.88	OF/SC SW	4.00	+3.2	4.50 3.50
						Duke Realty (1/90)	5.00	OF/IN MW	5.00	+3.4	5.25 4.50
						First Union RE (1/90)	15.63	SC/OF NAT	15.75	+3.2	16.50 14.13
						K&B Home (1/90)	12.63	HG/CL CA	12.50	(0.4)	14.00 11.38
						Leisure Tech. (1/90)	2.13	RH US	1.75	(17.6)	2.50 1.88
						MSA Rlty. (1/90)	8.63	SC MW	6.25	(25.8)	7.00 7.75
						Ryland Gr. (1/90)	19.25	HG/MG US	20.00	+4.7	21.00 17.25
						Sizeler Prop. (1/90)	14.00	SC LA	14.38	+5.5	14.00 12.63
						<b>Property types: AP=Apartment; CL=Commercial; DV=Diversified; HT=Hotel/Lodging;</b>					
						<b>Property locations: NE=Northeast; SE=Southeast; SW=Southwest; MW=Midwest; W=West; NW=Northwest</b>					
						<b>US=National. States are Postal Service code.</b>					
						<b>Buy limits are approx. maximum purchase prices at publication date. Additions or changes underlined; Natwld. Health to Above Average Income Group. Stocks selling at, above or below limit prices are in bold italics</b>					

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## PORTFOLIO PLANNER: HOMEBUILDERS START 1990 WITH MIXED REPORTS

Homebuilders have started 1990 with mixed first quarter earnings that signal sagging earnings for the year. Weaker deliveries, new contracts and backlog are prevalent in the early reports from major building companies at this writing.

But the data don't add to a disaster for the group either. Clearly homebuilders — especially smaller regional builders — are taking the brunt from a credit crunch inspired by thrift industry credit cutbacks mandated by the S&L bailout bill effective last December. Biggest impact is on small to medium-sized builders, generally building 100 to 500 homes yearly, who are too large to fit under a new rule limiting S&L loans to one borrower to 15% of a thrift's capital. Our view is that larger multimarket builders with access to public capital will use this squeeze to improve market share. In that sense the credit-induced weakness in builder stocks affords good opportunity for rebound-minded investors to accumulate positions for the eventual recovery.

Earnings per share fell 0.7% for ten early reporting homebuilders on a 4.8% net income gain, the difference reflecting higher numbers of shares outstanding. Profit margins came under pressure, falling to 4.8% from 5.5%, eroding benefits of a 23% sales gain to \$1.8 bil. Higher selling costs in an intensely competitive market are the villains.

Reflecting this weaker outlook, stocks of seven homebuilders and developers — Fairfield Communities, General Development, Lennar Corp., NVR L.P., J.M. Peters, Standard Pacific L.P., and Union Valley Corp. — have dropped to new 52-week lows in recent weeks (see Market Pulse, p. 6). The distress forced two builders/developers into Chapter XI bankruptcy reorganization, and three others are struggling with debt (see p. 5).

**Centex Corp.** (CTX:NYSE), a standout performer (RSR, April 12), earned \$1.01/sh. in the March qtr., bringing EPS for its March fiscal year to \$4.02/sh., slightly below our \$4.10 estimate. Advice: We see further gains to about \$4.50/sh. for

FY 1991 and retain the stock in Portfolio Planner. A Rank is continued.

**NVR L.P.** (NVR:ASE), multimarket homebuilder and financial services company with a dominant presence in the Washington and Baltimore markets, seems headed for a second straight down year in 1990. Since acquiring Ryan Homes in 1986, NVR's homebuilding unit has moved to widen margins. To do this, NVR is (1) building a richer mix of upscale, moveup homes, mainly in the Washington suburbs, and (2) entering California while phasing out many Ryan operations in smaller Midwestern and Southeastern markets. Despite the margin push, gross margins held at 16.4% in both 1988 and 1989, result of lower deliveries at higher average prices.

Specifically NVR's 1989 deliveries fell 24% to 6,519 homes but average house price soared 30% to \$167,000. As a result dollar volume of home closings fell less than 1% to \$1.09 bil. Following this pattern, year-end backlog fell 11% to 2,706 units, although dollar value rose 3.6% to \$516.6 mil. Washington/Baltimore generated 68% of NVR's dollar volume on 60% of units closed.

NVR's financial service lines, including mortgage banking, thrift, and REIT management, generated \$16.5 mil. net income, or about 55% of consolidated earnings. NVR originated \$1.1 bil. mortgages in 1989 providing mortgages for about 73% of NVR home sales. NVR now services \$2.9 bil. mortgages, adding about \$1/sh. off-balance sheet value.

NVR earned \$1.02/unit, down 18%, on \$1.3 bil. revenues in 1989. We expect 1990 to come in at about 65¢ to 75¢, with nearly all the improvement coming in the second half. The March quarter is expected to be about breakeven and the June quarter may be a bit better, but first half results will clearly lag 1989 when NVR earned 28¢ and 34¢ in the March and June quarters respectively. Depending upon market and credit conditions, the second half should rebound compared to weaker 1989 showings. Credit market conditions are

the unknown, and NVR's higher leverage (\$802.5 mil. homebuilding and corporate debt is 4.8 times consolidated equity) could bite if credit stringency persists. As a master limited partnership (MLP), NVR units are suitable only for individuals. Advice: Units at a 26% discount to \$4.87/unit book value are less attractive until credit conditions clarify. C Rank is maintained.

**PHM Corp.** (PHM:NYSE), the holding company for Pulte Home Corp. plus mortgage banking and thrift companies, has taken a market fall because of weakening homebuilding and questions about benefits of thrift ownership. PHM delivered 5,653 homes in 1989, down 18%, with virtually all decline coming in Eastern markets. But dollar volume fell only 13% to \$724 mil. as average house price rose 5.7% to \$128,000. About 79% of units are detached single family homes, the remainder being attached units.

Homebuilding pretax operating income in 1989 fell to 3.0% from 4.1%, generating \$21.8 mil. pretax income. Financial services now provide nearly half of pretax net, providing \$21.7 mil. pretax in 1989. Charges for foreclosure losses abated. PHM earned \$2.02/sh. after an 8¢ extra charge. We expect 1990 to be slightly lower due to higher interest rates. Advice: While the current 24% discount to \$12.02/sh. book value appears attractive, PHM's acquisition of a thrift has introduced uncertainty about EPS that we believe lessen PHM's attractiveness. We hold at C Rank.

**Ryland Group Inc.** (RYL:NYSE), Maryland based national builder with strong operations in the Mid-Atlantic states and California, delivered 9,215 homes in 1989, down 1.5%. Modular building output rose 17% but M.J. Brock operations in California fell 9% to 1,417 units. March qtr. new sales fell 12% and March backlog of 3,258 homes fell 16% from 1989. Average selling price rose 6% to \$115,200 in March.

RYL housing generated \$57.9 mil. pretax income, or 82% of pretax in 1989. RYL financial services continue to grow



and provided 18% of pretax income. RYL earned \$3.25/sh. in 1989, up 5%. March qtr. EPS jumped 20% to 42¢ diluted; we see some sluggishness for 1990 but RYL's disciplined and diversified operations and financial strength should let RYL hold EPS. **Advice:** A-Ranked RYL continues as a longer-term pick in Portfolio Planner.

**Standard Pacific L.P.** (SPF:NYSE), a master limited partnership (MLP) building in both northern and southern California, saw its fat 29% gross margins erode a bit to 26% in the March quarter, result of more competition in California markets. March quarter deliveries rose 1.4% to 284 homes while new sales contracts slipped a bit by 6% to 301 homes. Backlog rose 6% year-to-year to 604 homes. Average house price fell 2% to \$305,000 as SPF finds demand for entry-level and mid-priced units the strongest. SPF is taking a cautious view on inventory and starts but so far hasn't seen the disaster that some bears have been forecasting.

SPF earned \$3.87/unit in 1989 but EPS slipped 21% to 68¢/unit in the March qtr. as net (pretax) margins eroded to 18.9%. We estimate 1990 EPS will be in the \$3.25-\$3.50 range, with bookings in the June quarter being decisive in final results. As an MLP, SPF pays about 55% of earnings to unitholders, so we'd expect payout in the \$1.80 range for 1990 (vs. \$2.10 in 1989). **Advice:** SPF has an excellent land bank and well-controlled operations; we continue in Portfolio Planner with A Rank.

**Toll Brothers Inc.** (TOL:NYSE), Philadelphia area based builder of move-up homes in the Mid-Atlantic states, has been hurt by the Northeastern real estate slowdown. Since most TOL buyers usually must sell their previous home, slower used-house markets have hurt. Now TOL seems to have adjusted to the newer climate and unit deliveries, EPS and the stock price are all firming. TOL closed 164 homes in the Jan. qtr., up 11.6%; new contracts also advanced and the 339 unit backlog rose 7.6% in units. The firmer trends reflect more active communities rather than any upsurge in demand. TOL earned 11¢ per share in the Jan. qtr., up 10%, pointing toward some gains from the depressed

44¢/sh. EPS of the Oct. 1989 fiscal year. With more active tracts, we see EPS in the 60¢/sh. range for 1990. **Advice:** With shares selling very near \$2.96 book value and prospects for a modest turnaround visible, TOL has speculative recovery interest. We keep shares at C Rank..

**UDC-Universal Development L.P.** (UDC:NYSE), Tempe, Ariz. based multimarket builder of single-family and retirement communities, is maintaining surprising momentum in face of a market downturn in Phoenix, which accounts for 50% of UDC's unit sales. UDC delivered a record 2,390 homes in 1989, up 12.6%, divided 68% non-retirement homes and 32% retirement homes. California accounted for 28% of unit volume, while southeastern markets (Charlotte, Atlanta and Palm Beach County, Fla.) accounted for 22%. UDC ended 1989 with backlog of 785 homes valued at \$124.7 mil., both records for a year-end. March quarter new sales contracts fell 12% to \$121 mil., leaving March dollar backlog 4% below 1989 at \$164 mil.

Clearly UDC has eased off its torrid 1989 sales pace but we don't see 1990 sales collapsing and earnings disappointing, as some bears on the stock suggest. Part of our optimism traces to UDC's varied product offerings, from lower priced retirement homes in Phoenix averaging \$106,000 to northern California retirement homes up to \$260,000. By moving only into markets it deems to have longer-term growth potential, UDC has been able to hold upward sales thrust amid soggy national housing starts. Its Southeastern markets, for example, are balanced between single-family homes in Atlanta and Charlotte, while Florida retirement markets add balance even though sales there were down in 1989.

A master limited partnership (MLP) which distributes about 68% of income, UDC is capitalized with \$189 mil. debt (notes and bank loans) and \$103.25 mil. of liquidating value of two series of preferreds (both trading NYSE). The preferreds were created for institutional shareholders, who effectively are banned from buying the common under existing tax laws. Net limited partners equity after preferred at

liquidating value is \$36.8 mil. or \$5.12/unit. UDC set records in 1989 with \$51.4 mil. net income on \$407.6 mil. revenues, or a 12.6% pretax margin (UDC pays no income tax directly because of its MLP status). Earnings came in at \$4.85 per unit, up 27.6%. UDC paid \$2.60/sh. or 54% of earnings. We expect 1990 earnings to be down 5% to 8% to about \$4.70-\$4.85. **Advice:** UDC units are for long-term holders (individuals only) who can afford to ride through any near-term price weakness that may lie ahead. B Rank continues.

**U.S. Home Corp.** (UH:NYSE), Houston based multimarket homebuilder to first-time, moveup and retirement markets, reached understanding on terms of a new credit agreement with bank lenders early this month, persuading two reluctant banks to stay in UH's line for another year. As one of the more highly leveraged homebuilders, UH's recovery from a 1987 restructuring and downsizing is clearly at risk if the current credit crunch drags on.

But UH's homebuilding operations seem to be stabilizing: UH delivered 5,437 homes in 1989, down 12%, but new orders were stronger and UH ended with 2,012 homes in backlog. March qtr. sales softened and March backlog fell 3% to 2,182 DU. Like most multimarket builders, UH's average house price rose 9% to \$112,150 in 1989, still well below the national average. UH is focusing on Florida and California, which account for 38% and 14% of deliveries. Arizona is UH's third largest market at 9% but UH wrote down housing and land options in Phoenix during 1989; assets in Atlanta, Charlotte and Albuquerque were also written down in the March quarter.

UH still hasn't been able to resume EPS growth however. UH earned 3¢ per share in 1989, result of a 35¢ gain on debt repurchase offsetting 21¢ and 11¢/share losses from continuing and discontinued operations respectively. March qtr. EPS of 1¢/sh. matched 1989. Debt of \$518.3 mil. is 2.8 times shareholders' equity of \$184.6 mil. or \$4.19/sh. **Advice:** UH remains a speculative holding but the steep 73% discount to book value provides appeal. Despite progress, D Rank is held.



## The Debt Bomb: Realty Cos. Try Swaps, Sales & Ch. XI To Satisfy Lenders

Three companies and REITs have been forced into Chapter XI bankruptcy reorganization during April; all three were reported in trouble in the March 23 RSR:

**Mortgage & Realty Trust** (MRT:NYSE), a conservative \$580 mil.-asset mortgage lender, abruptly sought Ch. XI protection April 12 after a series of miscalculations and misunderstandings by banks and rating agencies forced MRT to default March 14 on \$13 mil. commercial paper (RSR, March 23). MRT announced March 30 that it had reached preliminary understanding with lenders on a new \$425 mil. credit agreement to cure the defaults. Early in the pre-Easter week, MRT told analysts it expected to wrap up the credit pact by about mid-April. But on April 12, Good Friday eve, MRT unexpectedly sought Ch. XI protection.

What happened? MRT says some bank lenders, responding to great pressure from Federal regulators, kept demanding terms that MRT felt would decimate shareholders' equity of \$188.7 mil. or \$17.04/sh. at March 31. Specifically, lenders wanted MRT to repay the entire \$425 mil. proposed loan in two years, and pledge all mortgage and property assets to lenders. MRT felt this would force it to sell some long-term mortgages, especially its \$77 mil. participating loans, into a dismal credit market, likely resulting in major losses. Faced with these demands, MRT decided to seek Ch. XI protection.

MRT is optimistic that an agreement can be reached quickly enough to exit Ch. XI in time to resume dividends no later than June 15, 1991, the latest date for maintaining MRT's nontaxable status as a REIT. Should MRT be unable to preserve REIT status, earnings would be reduced by taxes payable, which amounted to \$3.8 mil. or about 35¢/sh. for the six months through March 1990. Pending resolution of the Ch. XI action, MRT has suspended dividends, although it earned 43¢/sh. in the March qtr. MRT now begins negotiating with a creditors' committee including MRT's largest creditors, Prudential Life Insurance, mutual fund manager T. Rowe Price, Bankers Trust Co. of New York, and Meritor Bank of Philadelphia. **Advice:** We continue MRT in our Avoid/Sell group until creditor negotiations progress.

**General Development Corp.** (GDV:NYSE), a Florida installment land and timeshare unit seller with \$1.2 bil. assets, filed Ch. XI April 6 after liquidity pressures proved too great. In March GDV executives pleaded guilty to fraud in inflating appraisals on homes it sold in GDV's planned communities and agreed to make restitution that could total \$100 mil. in coming years. Faced with these pressures, GDV opted for court protection. **Advice:** We maintain GDV on our Avoid/Sell list. It's much too early to be a player on GDV stock but two public debt issues, trading about 23 and 9 respectively, may eventually have speculative appeal.

**International American Homes, Inc.** (HOME:OTC), New Jersey based homebuilder which also operates in the Washington suburbs filed Ch. XI on April 13. Two subsidiaries had gone into default on loans. We have no advice.

Other realty companies are trying to settle with creditors by massive land sales and asset swaps for debt:

**Massive Land Sales: Landmark Land Co.** (LML:ASE), through subsidiary Oak Tree Savings Bank, has agreed to sell a substantial portion of its golf, tennis and large-tract development land to **Barry G. Hon**, a major southern California builder and developer, for \$967 mil. Oak Tree needs to sell the assets to meet net capital requirements under the S&L bailout law effective last December (RSR, Mar. 23 and Jan. 26).

But the market is casting a jaundiced eye on the deal, which involves truly staggering numbers all around, including the financing. The deal is divided into two bites: a \$497 mil. stroke would close in the June 1990 quarter with Hon putting up \$104 mil. cash and Oak Tree financing about \$392.6 mil.; and a \$470 mil. stroke closing in the June 1991 qtr. with Hon paying \$112.8 mil. cash to a \$357 mil. Oak Tree loan. A provision in the S&L bailout bill lets Oak Tree finance such sales, which works out to Oak Tree lending \$750 mil. or 77.6% of the \$967 mil. sale price.

If the deal closes, LML would report pretax gross profits of \$33.75 and \$25.00 per share in 1990 and 1991 respectively. LML's book value is \$1.34 per share — including \$16.25/sh. goodwill and intangibles — based on historic cost of some

land owned since World War I days. The deal thus seems to provide some answer to what LML's stock really is worth. But since the deal's announcement April 16, LML stock has alternately soared and sagged, moving from 15-3/8 to over 20 briefly before falling to current quotes around 12. Whether Hon can raise the \$217 mil. cash he needs to close seems to be the key question. **Advice:** We continue LML in our Avoid/Sell category for now.

**Debt Swaps:** Two builder/developers have swapped properties, stock and other assets for \$188 mil. junk bonds and notes held by Executive Life Insurance, the Los Angeles insurance unit of First Executive Corp. known as a major buyer from Drexel Burnham's deposed junk bond king Michael Milken. Details:

**M.D.C. Holdings Inc.** (MDC:NYSE), Denver based homebuilder and financial services company, exchanged \$140.3 mil. of notes averaging 11% interest held by Executive for \$136.3 mil. of a new 11-year secured MDC Note and 3.175 mil. new MDC shares. Simultaneously MDC sold Richmond American Homes of Colorado, its main homebuilding unit, to MDC's chairman and its former president in exchange for \$158.2 mil. new securities including a \$121.3 mil. Richmond Note secured by Richmond's housing assets. This Richmond Note in turn is pledged to Executive Life as security for the new MDC Note issued to Executive. Interest on the new MDC Note is 7.75% and 7.5% in the first two years, with only 0.25% payable in cash; after two years, interest on both the new MDC Note and the Richmond Note is contingent upon future Richmond home sales. The effect of the back-to-back deal is that Executive Life's interest and collections mainly depend on Richmond's future home sales in Denver.

**FPA Corp.** (FPO:ASE), builder of Florida retirement homes and single-family homes in Pennsylvania, swapped \$39.7 mil. of notes and debentures with Executive Life. Specifically FPA traded \$21.3 mil. of its 12-5/8% senior notes due 1993 (being 86% of the issue) and \$18.5 mil. of 14-1/2% subordinated debentures due 2000 (being 91% of the issue) to Executive Life for undeveloped properties, notes, and options for 400,000 FPO shares. Executive Life intends selling the properties.



## MARKET PULSE: Realty Stocks' Lot Unchanged

The big question has become, "When will realty stocks start mounting a comeback?" Clearly overbuilt real estate markets and bad publicity have hurt real estate. When combined with the public's current negative sentiment toward equity securities in general, one can see a double whammy on realty stocks.

Savvy investors and investors with long-term horizons relish this market as the early stages of opportunity for finding great values. The trader and arbitrageur find very little to be pleased about here. A break in the two compounding factors hammering realty stocks is not yet visible, yet it will occur inevitably and for those with the patience - inherently required in real estate investment - rewards should be forthcoming.

Fundamentally strong stocks have held their ground, and with strong managements and good dividend payout cushions, many of these stocks are excellent yield vehicles to weather the bottom of the current real estate cycle and a possible recessionary period as they have done in past cycles.

**High/low indicator:** Again new lows have kept pace with the broad market while new highs have trailed in this regard.

Week	New Highs	New Lows	Net Highs	-% of All Stocks-	
				Highs	Lows
Apr.27	0	22	-22	0.0%	2.7%
Apr.20	2	29	-27	0.7	4.6
Apr.12	1	23	-22	0.4	4.6
Apr. 6	2	18	-16	0.6	3.0
Mar.30	1	20	-19	0.3	4.3
Mar.23	1	22	-21	0.3	4.7
Mar.16	2	22	-20	0.6	5.7
Mar. 9	3	13	-10	0.9	3.6
Mar. 2	3	14	-11	1.2	2.5

In the two weeks ended April 27, three realty stocks hit new highs: Mission West Properties, The Reading Company (Class A Common), and Residential Mortgage Investments.

**Mission West Properties** (MSW:ASE) at its Apr. shareholders meeting announced its intention to sell its headquarters building, the High Bluff at Del Mar, Cal., for approx. \$13.5 mil. or approx. \$2.2 mil. after taxes. That equals about \$1.47 per share. MSW is about 50% controlled by Intermark, a San Diego

conglomerate.

**The Reading Co.** (RDGCA:OTC) shares have been slow to return from the Oct. 1987 market fall. RDGCA's stock has slowly recovered as it increased liquidity through strategic asset sales, while searching for the right vehicle to use \$178 mil. in net operating loss carryforwards (NOLs) available on a periodic schedule through 2003. RDGCA split its stock into a non-voting Class A stock in Oct. 1989 to protect the NOLs. RDGCA is about 34% controlled by Craig Corp., Los Angeles supermarket and electronic equipment company, which also owns nearly 10% of Del Webb Corp. It owns office building sites and other properties in center-city Philadelphia. RDGCA is selling a major parcel to the city of Philadelphia as a convention center site but the city is holding up final payment of \$17 mil., claiming hazardous material hasn't been completely removed.

**Residential Mortgage Investments** (RMI:ASE) shares likely broke to a new high with market expectations that RMI will soon reinstate its dividend, which had been suspended in first quarter of 1989. A CMO mortgage REIT that issued bonds backed by mortgage assets, RMI ran afoul of soaring interest rates a year ago and has slowly nursed itself back to health.

Groups containing new lows placed by order of magnitude held their position in March. By loosely based groups and number of new lows in each:

**Equity REITs/Property Owners - 11:** Chicago Dock & Canal Trust, EQK Realty Investors, EastGroup Properties, HealthVest, Income Opportunity Realty Trust, LinPro Specified Properties, Medical Properties, Mortgage Investments Plus, USP REIT, United Dominion Realty Trust, Western Investment RET.

**United Dominion and Western Investment** appear to be bargains as both easily cover dividends and show no sign of cash flow decreases. UDRT has applied for NYSE listing.

**EQK Realty Investors** (EKR:NYSE) has fallen to new lows in six of the last 13 weeks as conditions worsen at two of its three properties. In the Indianapolis market, 432,000 sq.ft. come up for re-leasing in 1990 at EKR's 1.2 mil. SF Castleton Commercial Park, which

offers flex-office/warehouse space. Conditions are worse in Atlanta where EKR owns the Peachtree-Dunwoody Pavilion, a seven building, 637,000 SF office park that was 55% occupied as of February and offers existing tenants concessions of approx 40% of face rentals. Some modest rental strength appeared recently.

**Mortgage lenders - 9:** Angeles Participating Mortgage Trust, Capital Housing & Mortgage Trust, Countrywide Credit Industries, Countrywide Mortgage Investors, Loan America Financial Corp., Lomas Financial Corp., Mortgage & Realty Trust, Resort Income Properties, Rockefeller Center Properties. This group has been plagued by bad loans and diminishing spreads which could get worse before improving.

**Homebuilders - 7:** Emerald Homes, L.P., Hovnanian Enterprises, International American Home, Lennar Corp., NVRL.P., Standard Pacific, L.P., Union Valley Corp. Soft NJ markets and the real estate credit crunch have hurt N.J. homebuilders.

**Land Developers - 4:** Deltona Corp., General Development Corp., Radice Corp., Rockwood National Corp.

**Liquidating - 4:** Americana Hotel, Hotel Investors, JMB Realty Trust, MONY Real Estate Investors.

**MLPs - 5:** Gould Investors, La Quinta Motor Inns, L.P., Prime Motor Inns, L.P., Red Lion Inns, L.P., Shopco Laurel L.P.

**Investment Builders - 3:** Bay Financial Corp., BTR Rlty., Forest City B.

**Syndicators - 1:** Angeles Corp.

**Advance/decline indicator:** It is misleading to generalize poor performance in the overall realty stock universe from the New High/Low table. Realty stocks have in fact moved closely in sync with the movement of all stocks. The net advances of realty stocks vascillates between strength and weakness in near proportion to their percentage of the broad market.

Week	Adv.	Decl.	Net Adv.	-% of All Stocks-	
				Adv.	Decl.
Apr.20	52	82	-30	2.7%	2.2%
Apr.12	58	77	-19	2.2	2.8
Apr. 6	54	86	-32	2.3	2.7
Mar.30	66	62	+4	2.4	2.3
Mar.23	54	84	-30	2.5	2.5
Mar.16	58	73	-15	2.0	3.0
Mar. 9	78	57	+21	2.4	2.6
Mar. 2	69	54	+15	2.1	2.5



## MARKET STATS: KEY DATA FROM OUR MONTHLY COMPUTERIZED MARKET SURVEY

## Highest Dividend Yields

Abnormally high dividend yields may indicate the market is expecting a dividend cut in the near future. Mortgage lending REITs, especially the CMO REITs (Asset Inv., Countrywide Mtg. and RYMAC Mtg.) lead this category. Liquidating entities are excluded from the listings. REITs with the highest current yields:

## Highest Yielding REITs

1. Asset Investors	26.2%
2. Homeplex Mtg. Invest.	23.5
3. Rymac Mtg. Investments	22.5
4. BRT Realty	22.2
5. Continental Mtg. & Eq.	22.0
6. Transcontinental Realty	21.9
7. Health Equity Props.	21.0
8. Income Opport. Realty	19.8
9. American Realty	19.4
10. Countrywide Mtg.	18.8

## Highest Yielding Companies

1. La Quinta Motor Inns LP	30.8%
2. Prime Motor Inns LP	27.3
3. American RE Partners	18.6
4. CF Income Partners	18.2
5. NVR LP	16.6
6. Equitable RE Shop. Ctr.	15.1
7. UDC-Universal Develop.	14.7
8. Shopco. Laurel Center	14.2
9. Red Lion Inns, LP	14.0
10. Standard Pacific LP	13.8

## Lowest Dividend Yields

Low dividend yields excluding non-dividend payers generally point toward the companies and REITs with the lowest cost of capital, and hence the highest expected growth rates. Low yield may signal a recent dividend cut.

## Lowest Yielding REITs

1. Hollywood Park Realty	0.6%
2. Chicago Dock & Canal	1.7
3. Storage Equities	2.4
4. Bay Meadows Oper.	3.8
5. Cousins Props.	4.0
6. Merry Land & Invest.	4.2
7. Nooney Realty Tr.	4.6
8. Lomas & Nettleton Mtg.	5.1
9. Washington REIT.	5.8
10. Weingarten Rlty. Inv.	6.2
11. International Inc. Props.	6.2

## Lowest Yielding Companies

1. Tejon Ranch Co.	0.1%
2. Santa Fe Pacific	0.5
3. Oakwood Homes	0.9
4. Forest City B	1.0
5. Centex Corp.	1.2
6. Forest City A	1.2
7. MCA Inc.	1.3
8. PHM Corp.	1.4
9. Lennar Corp.	1.4
10. First Carolina Corp.	1.9
11. Del Webb Corp.	2.1

## Best Performing Cos.

The best and worst performing REITs and companies based on total return (dividend plus price change) for the past month and over the past year are as follows (excluding stocks selling below \$2 per share):

## Best Performing REITs

Last Month	
1. RAC Mtg. Investments	+22.1%
2. Realty South Investors	+17.2
3. ICM Property Investors	+15.6
4. American S. West Mtg.	+11.2
5. Presidential Realty - B	+10.9

Last 12 Months	
1. Health Care Prop.	+35.4%
2. International Inc. Props.	+34.1
3. Grubb & Ellis REIT	+29.5
4. Nationwide Health Props	+27.8
5. Meditrust	+21.1

## Best Performing Companies/MLPs

Last Month	
1. Pacesetter Homes	+37.9%
2. Oakwood Homes	+20.3
3. Mission West Properties	+20.0
4. Major Realty	+17.9
5. MCA Inc.	+13.2

Last 12 Months	
1. Pacesetter Homes	+122.2%

2. Contl. Homes Hldg.	+76.5
3. Fed. Nat. Mtg.	+63.1
4. M/I Schottenstein Hms.	+36.6
5. May Dep. Stores	+31.5

## Worst Performing REITs

Last Month	
1. Healthvest	-45.2%
2. Lomas & Nettleton Mtg.	-28.3
3. American Realty Tr.	-23.1
4. Bay Meadows Oper.	-22.7
5. Wedgestone Financial	-21.1

Last 12 Months	
1. Healthvest	-82.1%
3. Lomas & Nettleton Mtg.	-66.7
2. VMS Investment Fund	-63.9
4. EQK Realty Inv. I	-63.3
5. Sierra Real Estate Eq. 84	-60.0

## Worst Performing Cos./MLPs

Last Month	
1. vj-General Development	-58.1%
2. Union Valley Corp.	-40.0
3. Forum Ret. Ptnrs. L.P. Pfd.	-26.6
4. Emerald Homes LP	-25.0
5. Leisure Technology	-22.2

Last 12 Months	
1. vj-Lomas Fincl.	-91.2%
2. Unicorp American	-89.2
3. vjGeneral Development	-89.1
4. Equitec Financial	-85.0
5. Calton	-77.5
VJ=In Ch. XI bankruptcy.	

## CURRENT ASSET VALUE COMPARISONS

	DATE	CURRENT VALUE/ SHARE	% PRICE TO APP. VALUE		DATE	CURRENT VALUE/ SHARE	% PRICE TO APP. VALUE		DATE	CURRENT VALUE/ SHARE	% PRICE TO APP. VALUE
QUALIFIED REITS											
BRE PROPERTIES	7/89	36.75	-26.2	SIERRA RE EQ83#	12/89	10.38	-61.5	FOREST CITY-B#	1/89	70.00 b	-47.9
BURNHAM PAC. PR.	12/89	18.00 b	-6.9	SIERRA RE EQ84#	12/89	7.44	-63.0	FORUM RET PFD UN# 9/89		9.96	-74.9
COPLY PROPS	12/88	23.37	-49.2	SIERRA CAP RLY IV#	12/89	7.94	-49.6	LA QUINTA MTR IN#	12/88	15.75 b	-53.7
DUKE RLT INVST #	12/89	8.50	-41.2	TRAML CROW REI#	12/89	10.77	-62.9	NEWHALL LAND	12/89	28.52	6.1
EQK RLT INV I	12/89	12.89	-61.2	UTD DOMINN RLY#	12/89	20.50 b	-23.2	PERINI INV PR#	12/89	24.81	-49.6
FEDERAL REALTY	12/89	24.00 b	-13.0	USP RL EST INV#	12/89	8.25	-57.6	PRIME MTR INN LP#	12/88	20.90 b	-63.5
FIRST UNION RE	12/89	24.25 b	-35.1	WASH RE (WRIT)#	12/89	19.00 b	-2.6	RED LIONS INNS #	12/88	17.00 b	-11.8
GRUB&ELLS REIT	12/89	8.48	-13.0	WEINGARTEN RLY#	12/89	25.00 b	21.0	ROUSE CO#	12/89	34.80	-28.9
INTL INCOME PR#	12/89	20.05	-10.2	WESTERN INV RE#	12/88	19.00 b	-9.2	SHOPCO LAURL CTR#12/88		11.40	-30.9
IRT PROPERTY CO#	12/89	14.50 b	-11.2	AVERAGE (24 REITS)			-29.9	SOUTHWEST RLT#	12/89	3.51	-71.5
NEW PLAN RLY TR#	7/89	16.67	48.0					AVERAGE (14 COMPANIES)			-44.3
PENN REIT#	8/89	27.50 b	-10.9	OPERATING COMPANIES							
PRU RL CAPITAL #	12/89	1.70	-70.6	BAY FINCL CORP	6/89	6.02	-89.6	Current market values of net assets (i.e., properties held) are reported publicly by companies. Values are estimated by management and concurred in by independent appraisers except for: New Plan Realty, management estimate only. Share values are fully diluted. a-Entity has not revalued mortgages. b-Estimated by RSR; not confirmed by Trust.			
SANTA ANITA	12/89	34.25	-21.2	EQK GRN ACRES LP#	12/89	15.26	-18.9				
SIERRA CAP RLY VI#	12/89	8.82	-40.5	EQUITABLE RE SC #	12/88	10.22	-31.5				
				FOREST CITY-A#	1/89	70.00 b	-48.9				

## TRACKING THE REAL ESTATE MUTUAL FUNDS

3/21/90		DISTRIBUTOR/ EXCHANGE	FUND TYPE#	NET ASSET NAV	VALUE (NAV) OFFER	PAID 12 MOS.	IND. YIELD	—CHANGE IN NAV— LAST MON. LAST YR.	
OPEN-END FUNDS									
	EVERGREEN GLOBAL REAL EST.	Evergreen Funds	NL	\$9.54	\$9.54	\$0.17	1.76%	-1.45%	NA
	FIDELITY REAL ESTATE INV.	Fidelity Mgmt.	NL	9.16	9.16	0.52	5.62%	-0.97%	0.66%
	NATL. REAL ESTATE STOCK	Natl. Secur. & Res.	LD-7.75%	7.44	7.89	0.52	6.78%	-3.00%	-10.79%
	NATL. REAL ESTATE INCOME	Natl. Secur. & Res.	LD-7.75%	7.10	7.53	1.00	13.14%	-6.70%	-23.33%
	TEMPLETON REAL EST. TR.-New	Templeton Dist.	LD-9%	9.36	10.26	0.08	0.84%	-1.89%	NA
	UNITED SER. REAL ESTATE	Utd. Services	NL	8.47	8.47	0.37	4.35%	-0.47%	-14.53%
	USAA CORNERSTONE FUND	USAA Invest.	NL	18.09	18.09	0.68	3.62%	-3.73%	3.02%
CLOSED-END FUNDS									
	REAL EST. SECURITIES INCOME	AS-RIF	MKT	PRICE \$6.00	NAV \$6.69	1.00	14.55%	-12.73%	-33.33%
—1— D-LOAD; NL=NO LOAD; MKT=OPEN MKT. PERCENT CHANGES BASED ON NAV NA=NOT APPLICABLE; NEW FUND									

#—LD=LOAD; NL=NO LOAD; MKT=OPEN MKT.

PERCENT CHANGES BASED ON NAV

NA=NOT APPLICABLE; NEW FUND



## GROUP ACTION SUMMARY 4/25/90

GROUP NO.	GROUP NAME	DIV	NO PAY DIV.	SHARES BOOK TOTAL (000)	BOOK VALUE	ANNUAL EARNINGS DIV. 12-MOS.	PRICE 4/25/90	-TOTAL RET. FROM 3/21/90	P/E RATIO	ANNUAL YIELD	% PRICE TO BOOK	RETURN ON BOOK	MKT VALUE MIL. \$			
1	Property REITs	39	5	4.4	8739	11.61	0.93	0.89	12.43	(2.3)	(7.1)	14.0	7.5	7.0	7.6	5561.1
2	Leaseback REITs	11	2	13	7919	13.21	1.37	1.06	11.88	(2.4)	1.1	7.2	11.5	(10.0)	12.5	1493.1
3	Property & Mtg. Comb.	16	1	17	5334	12.86	0.86	0.59	6.99	(1.4)	(26.1)	11.9	12.2	(45.6)	4.6	605.8
4	Mortgage REITs	19	4	23	9146	11.70	1.02	0.46	6.98	(1.9)	(5.9)	15.1	14.6	(40.3)	3.9	1488.7
5	Participating Mtg. REITs	6	3	9	16244	9.80	0.78	(0.03)	6.97	(0.2)	(14.2)	0.0	11.2	(28.9)	(0.3)	1115.3
REIT AVERAGE				106	8818	11.87	0.98	0.76	9.85	(2.0)	(9.1)	12.9	9.9	(17.1)	6.4	10264.0
6	Major Homebuilders	8	4	12	20991	12.10	0.36	1.69	10.96	(4.0)	(13.5)	6.5	3.2	(9.4)	13.9	2245.5
7	Other Builders/Developers	5	25	30	7948	5.53	0.17	(0.11)	5.22	(3.1)	(14.9)	0.0	3.3	(5.6)	(2.1)	1051.4
8	Income Prop Bldr/Owner	16	7	23	8684	10.78	0.84	0.48	12.89	(3.4)	(15.6)	27.1	6.5	19.6	4.4	3018.5
9	Mortgage Banker/Finance	4	4	8	42015	5.13	0.31	(1.41)	8.11	0.4	(0.1)	0.0	3.8	58.1	(27.5)	8478.5
10	Diversified Rlty & Holding	8	5	13	39355	9.03	0.36	(2.69)	21.08	4.6	0.6	0.0	1.7	133.4	(29.8)	15648.4
11	Rlty Svcs/Syndicators	0	3	3	7971	4.82	0.00	(0.70)	3.38	(10.5)	(16.5)	0.0	0.0	(29.9)	(14.6)	82.5
12	Manufactured Housing	3	3	6	11517	9.05	0.22	0.38	10.17	7.7	(5.4)	26.5	2.2	12.4	4.2	955.8
OTHER REALTY STOCKS AVERAGE				95	17166	8.28	0.39	(0.19)	10.47	(0.6)	(9.8)	(54.2)	3.7	26.5	(2.3)	31480.3
L	Liquidating Companies	5	1	6	7288	7.35	2.12	(0.71)	4.40	(12.7)	(15.1)	0.0	48.1	(40.1)	(9.7)	181.9
TOTAL/AVERAGE				207	12764	10.17	0.70	0.31	10.14	(1.3)	(9.4)	32.6	6.9	(0.3)	3.1	41926.2
Dow Jones Industrials							220.76	2666.44	(2.3)	11.6	12.1	4.1				
Standard & Poor's 500							22.87	332.03	0.4	8.2	14.5	3.6				
Dow Jones Utilities							18.38	206.30	(4.0)	8.2	11.2	7.2				
Dow Jones Home Construction Group								373.87	(1.4)	(9.4)						
Dow Jones Real Estate Group							549.23	(0.7)	13.5							

Liquidating Cos. included only in Total Cos. and Market Value. Industrials, S&amp;P500, Utilities, Home Construction &amp; Real Estate Return from Mar.21 not adjusted for dividends.

## QUALIFIED REAL ESTATE INVESTMENT TRUSTS

RANK	NAME	REVIEW/ EXCHANGE/ ADVICE SYMBOL	GRP	SHARES (000)	BOOK VALUE	ANN DIV	-EARNINGS- MON12 MO	PRICE Apr 25	TOTAL RET. FROM- 3/21/90	P/E RATIO 4/26/89	% ANN YIELD	%PRICE TO BOOK	RETURN ON BOOK	MKT VAL MIL \$	
A	AMER HEALTH PROP#	12/8/89 NY- AHE	2	14,597	19.00	2.36 U	MAR 2.60 U	20.75	0.6	15.8	8.0	11.4	9.2	13.7	302.9
NR	AMER SW MTG INVMT	1/27/89 AS- ASR	4	14,326	9.73	0.60 S	DEC 0.40	3.38 X	11.2	2.8	8.4	17.8	(65.3)	4.1	48.4
C	AMERICAN REALTY	8/11/89 NY- ARB	4	6,356	15.00	0.80 D	SEP 0.66	4.13 X	(23.1)	(35.7)	8.3	19.4	(72.5)	4.4	26.2
C	ASSET INVESTORS	NY- AIC	4	13,892	14.86	1.80	DEC 1.47	6.88	3.8	18.2	4.7	26.2	(53.7)	9.9	95.5
B	P-BAY MEADOWS OPER	AS- CJ	1	5,773	3.94	0.60	DEC 0.47	15.75	(22.7)	(9.2)	33.5	3.8	299.7	11.9	90.9
NR	BODDIE-NOEL PROP#	AS- BNP	2	2,850	11.35	1.36 S	DEC 1.32 S	10.75 X	4.4	(6.8)	8.1	12.7	(5.3)	11.6	30.6
A	BRADLEY RL EST #	10/20/89 AS- BTR	1	4,175	6.31	0.80	DEC 0.65	9.75	(1.3)	(24.1)	15.0	8.2	54.5	10.3	40.7
B	BRE PROPERTIES #	10/20/89 NY- BRE	1	7,886	21.25	2.40	JAN 2.50	27.13	1.4	(2.0)	10.9	8.8	27.6	11.8	213.9
C	BRT REALTY	9/29/89 NY- BRT	4	7,345	14.46	2.00	DEC 2.19	9.00	1.4	(30.5)	4.1	22.2	(37.8)	15.1	66.1
A	BURNHAM PAC PROP#	10/20/89 NY- BPP	1	6,042	14.85	1.36	DEC 1.82	16.75	(5.0)	(2.8)	9.2	8.1	12.8	12.3	101.2
NR	CALIFORNIA REI	9/29/89 NY- CT	1	9,075	6.31	0.40 S	DEC (0.40) D	2.63 X	9.0	(24.4)	0.0	15.2	(58.4)	(6.3)	23.8
NR	F-CAPITAL HSG&MTG	11/24/89 AS- CAP	4	4,982	8.79	0.73	SEP 0.61	6.88	(1.8)	2.4	11.3	10.6	(21.8)	6.9	34.3
C	CAPSTEAD MTG CORP	NY- CMO	4	8,700	18.48	2.24	MAR 1.82 U	14.75	0.0	17.6	8.1	15.2	(20.2)	9.8	128.3
NR	F-CEDAR INCOME FD #	OC- CEDR	1	2,329	8.08	0.52 S	DEC 0.43 U	5.25	(12.5)	4.7	12.2	9.9	(35.0)	5.3	12.2
C	CENVILL INVSTR	8/11/89 NY- CVI	3	8,883	12.60	1.40	DEC 1.07 D	7.88	(16.0)	(24.6)	7.4	17.8	(37.5)	8.5	54.2
B	CHICAGO DOCK&CANL	3/10/89 OC- DOCKS	1	5,784	7.12	0.30 S	JAN 1.10	18.00 X	0.2	(31.6)	16.4	1.7	152.8	15.4	104.1
C	CLEVELAND TRST RLTY #	OC- CTRIS	1	1,973	17.37	0.00	MAR (0.77) D	4.00	3.2	(25.6)	0.0	0.0	(77.0)	(4.4)	7.9
NR	COLUMBIA RE INVST	AS- CIV	4	5,314	9.45	0.92	DEC 0.91 D	7.00	0.0	9.1	7.7	13.1	(25.9)	9.6	37.2
NR	CONTL MTG&EQUITY	3/24/89 OC- CMETS	3	3,719	24.70	1.98	DEC (1.61) U	9.00 X	10.1	8.4	0.0	22.0	(63.6)	(6.5)	33.5
B	COPLEY PROPS #	12/8/89 AS- COP	3	4,008	16.37	1.44 S	DEC 1.40 D	11.88 X	0.9	(18.7)	8.5	12.1	(27.5)	8.6	47.6
C	COUNTRYWIDE MTG	NY- CWM	4	13,645	8.22	0.68 U	MAR 0.60 D	3.63 X	8.4	(11.3)	6.0	18.8	(56.9)	7.3	49.5
A	COUSINS PROPS	3/10/89 OC- COUS	1	17,337	6.23	0.60	DEC 0.87	15.00	0.0	(12.2)	17.2	4.0	140.8	14.0	260.1
NR	CRI INS MTG ASSN	12/8/89 NY- CMM	4	21,100	10.59	1.08	DEC 0.95	8.75	1.4	6.1	9.2	12.3	(17.4)	9.0	184.6
NR	F-CRI LIQUIDATING	12/8/89 NY- CFR	4	30,426	13.17	1.60	DEC 1.08	11.63	2.2	6.7	10.8	13.8	(11.7)	8.2	353.7
NR	DEL-VAL FINCL	NY- DVL	4	5,712	12.57	1.92	DEC 1.86	17.38 X	(4.6)	15.7	9.3	11.1	38.2	14.8	99.2
B	DIAL REIT INC #	10/27/89 OC- DEAL	1	5,322	17.31	1.68 S	DEC 1.72	15.75	3.3	0.1	9.2	10.7	(8.0)	9.9	83.8
B	DUKE RLTY INVST #	10/27/89 NY- DRE	1	8,594	6.79	0.68	DEC 0.68 S	5.00	5.3	10.8	7.4	13.6	(26.4)	10.0	43.0
B	EASTGROUP PROPS	12/8/89 AS- EGP	1	2,504	23.82	2.60	DEC 5.56 D	17.38 X	(9.9)	(11.7)	3.1	15.0	(27.1)	23.3	43.6
B	EASTOVER CORP	OC- EASTS	3	1,144	15.80	1.36	DEC 2.54 D	9.00 X	(15.1)	(20.9)	3.5	15.1	(43.0)	16.1	10.3
C	F-EOK RLTY INV I #	9/29/89 NY- EKR	1	7,589	14.53	0.00	DEC 1.49 D	5.00	(11.1)	(63.3)	3.4	0.0	(86.6)	10.3	37.9
A	FEDERAL REALTY#	10/20/89 NY- FRT	1	16,642	12.30	1.40	DEC 1.92	20.88	0.6	(3.7)	10.9	8.7	89.7	15.6	347.4
NR	FIRST CONTL REIT	OC- FCRES	4	5,403	2.30	0.00	NOV (0.73)	0.25	(20.1)	(71.4)	0.0	0.0	(89.1)	(31.7)	1.4
B	FIRST UNION RE#	10/20/89 NY- FUR	1	17,486	9.22	1.50	MAR 2.06 U	15.75 X	(9.2)	(9.8)	7.6	9.5	70.8	22.3	275.4
NR	GOLDEN CORRAL #	OC- GCRA	2	1,480	9.36	1.04	DEC 1.08	7.25 X	0.1	(2.8)	6.7	14.3	(22.5)	11.5	10.7
C	F-GRUBB & ELLIS REIT	OC- GRIT	5	2,500	8.90	0.72	MAR 0.66 U	7.38	0.0	29.5	11.2	9.8	(17.1)	7.4	18.4
A	HEALTH CARE PRP#	12/22/89 NY- HCP	2	11,450	23.28	3.01 U	MAR 3.31 U	29.63	2.2	35.4	9.0	10.2	27.3	14.2	339.2
B	HEALTH CARE REIT	12/22/89 AS- HCN	4	6,110	12.20	1.72 S	MAR 1.78 D	13.63	(2.7)	12.4	7.7	12.6	11.7	14.6	83.2
D	HEALTH EQUITY PR#	12/8/89 NY- EQP	2	3,622	12.82	1.52	MAR 1.67 D	7.25 X	(18.6)	(18.4)	4.3	21.0	(43.4)	13.0	26.3
D	HEALTHVEST #	8/25/89 AS- HVT	2	10,773	9.29	0.00	SEP 2.36	2.13	(45.2)	(82.1)	0.9	0.0	(77.1)	25.4	22.9
C	HLTH & REHAB PRP#	12/22/89 NY- HRP	2	15,998	8.77	1.16 S	DEC 1.20	9.00	(2.7)	19.5	7.5	12.9	2.6	13.7	144.0
C	HMG/COURTLND PROP	9/29/89 AS- HMG	1	1,216	18.78	0.60	DEC (1.01) U	9.63	(6.1)	(6.0)	0.0	6.2	(48.7)	(5.4)	11.7
C	P-HOLLYWOOD PK RLTY	2/24/89 OC- HTRFZ	1	3,956	1.38	0.13 U	SEP (3.81)	21.75 X	(18.2)	(11.6)	0.0	0.6	1476.1	(276.1)	86.0
NR	HOMEPLEX MTG INV	NY- HPX	4	8,750	9.92	0.50	DEC 0.73	2.13	(5.6)	(12.5)	2.9	23.5	(78.6)	7.4	18.6
B	HRE PROPERTIES #	4/21/89 NY- HRE	1	5,407	26.13	1.60	JAN 2.25 D	17.75 X	2.1	(22.2)	7.9	9.0	(32.1)	8.6	96.0
B	ICM PROP INVSTR #	12/8/89 NY- ICM	3	5,478	12.92	0.48 S	DEC 0.77	7.25 X	15.6	(15.1)	8.4	6.6	(43.9)	6.0	39.7
NR	F-INCOME OPP RLTY	AS- IOT	3	3,736	12.03	0.62	DEC (1.57) D	3.13 X	(10.8)	(55.3)	0.0	19.8	(74.0)	(13.1)	11.7
A	INTL INCOME PR#	4/28/89 AS- IP	1	15,963	8.91	1.12	DEC 1.62	18.00	(1.4)	34.1	11.1	8.2	102.0	18.2	287.2
NR	INVG MTG SECS	OC- INVG	4	682	27.30	1.40	SEP (1.62)	8.13 X	(8.4)	(12.6)	0.0	17.2	(70.2)	(5.9)	5.5
A	IRT PROPERTY CO#	10/27/89 NY- IRT	1	12,240	9.00	1.16	DEC 1.17	12.88	6.2	1.0	11.0	9.0	43.1	13.0	157.6
B	KOGER EQUITY INC#	3/10/89 AS- KE	1	14,313	18.68	1.80	DEC 1.89	17.75 X	4.0	(1.6)	9.4	10.1	(5.0)	10.1	254.1



RANK	NAME	REVIEW/ EXCHANGE/ ADVICE SYMBOL	GRP	SHARES (OOO)	BOOK VALUE	ANN DIV	-EARNINGS- MON12 MO	PRICE Apr 25	TOTAL RET. 3/21/80	FROM-- 4/28/89 RATIO	P/E	%ANN YIELD	%PRICE TO BOOK ON BOOK	RETURN ON BOOK	MKT VAL MIL \$	
C	L&N HOUSING	NY-LHG	5	2,200	17.58	1.56	MAR 8.17 S	11.13	(3.3)	(1.1)	85.4	14.0	(37.1)	1.0	24.5	
B	LANDSING PACIFIC#	10/20/89 AS-LPF	1	6,087	19.18	0.80	DEC 0.75	7.88	(1.6)	17.6	10.5	10.2	(58.9)	3.9	47.9	
NR	LINCOLN NC RL FND	AS-LRF	3	1,998	12.25	0.84	DEC (0.33) D	8.00	(1.5)	(8.9)	0.0	10.5	(34.7)	(2.7)	16.0	
NR	F-LINPRO SPCFD PROP	AS-LPO	1	1,856	5.81	0.00	DEC (3.23) D	1.00	(20.0)	(55.6)	0.0	0.0	(82.8)	(55.6)	1.9	
D	LOMAS & NET MTG	2/10/89 NY-LOM	4	11,704	17.91	0.21 D	MAR (3.77) D	4.13	(28.3)	(66.7)	0.0	5.1	(77.0)	(21.0)	48.3	
NR	MEDICAL PROPS	AS-MPP	2	2,369	10.74	1.20	DEC 0.80	6.75 X	(2.8)	(8.1)	8.4	17.8	(37.2)	7.4	16.0	
C	MEDITRUST #	12/22/89 NY-MT	2	18,721	16.31	2.29	MAR 2.31 U	17.13 X	(1.0)	21.1	7.4	13.4	5.0	14.2	320.6	
C	F-MELLON PART MTG	8/25/89 OC-MPMTS	5	8,645	9.05	0.56 D	SEP 0.73	4.88 X	6.2	(23.7)	6.7	11.5	(46.1)	8.1	42.1	
C	MERRY LAND & INV	OC-MERY	3	9,678	6.92	0.20	MAR 0.84 D	4.75	(2.6)	(1.9)	5.7	4.2	(31.4)	12.1	46.0	
B	MGI PROPERTIES #	2/23/90 NY-MGI	1	9,401	17.71	1.12	FEB 1.30	11.75 X	8.1	(11.2)	9.0	9.5	(33.7)	7.3	110.5	
B	MONMOUTH REIT #	1/27/89 OC-MNRTS	3	1,915	5.47	0.70	DEC 0.65	5.88	0.0	18.5	9.0	11.9	7.4	11.9	11.3	
E	VJ-MTG & RLTY TRUST	4/27/90 NY-MRT	3	11,002	17.04	0.00	MAR 1.79 D	5.50	(20.0)	(50.7)	3.1	0.0	(67.7)	10.5	60.5	
C	MTG INVSTMT PLUS#	8/25/89 AS-MIP	3	9,020	8.30	0.80	DEC 0.80	5.38	(8.5)	(19.0)	6.7	14.9	(35.2)	9.6	48.5	
B	NATIONWIDE HLTH #	12/8/89 NY-NHP	2	11,196	18.81	1.84	MAR 2.28 D	15.25	3.4	27.8	6.7	12.1	(18.9)	12.1	170.7	
NR	NATL INCOME RLTY	3/24/89 OC-NIRTS	3	3,787	29.40	1.05	DEC (2.10) U	9.63 X	2.1	(18.7)	0.0	10.9	(67.3)	(7.1)	36.4	
A	NEW PLAN RLY TR#	10/27/89 NY-NPR	1	34,846	8.52 \$	1.06	JAN 1.02 U	16.75	(1.5)	12.0	16.4	6.3	96.6	12.0	583.7	
NR	F-NOONEY RLY TR#	OC-NRTI	1	967	16.70	0.40	DEC 0.31	8.63	1.5	12.1	27.8	4.6	(48.4)	1.9	7.5	
B	ONE LIBERTY PR#	6/23/89 AS-OLP	2	1,339	11.78	0.00	DEC 0.32 U	10.75	(3.4)	(19.6)	33.6	0.0	(8.7)	2.7	14.4	
A	PENN REIT#	10/27/89 AS-PEI	1	8,215	9.90 \$	1.72	FEB 1.68 U	24.50	(3.0)	20.5	14.6	7.0	147.5	17.0	201.3	
NR	PITTS & WVA RR	AS-PW	2	1,510	6.07	0.56	SEP 0.55	5.63	(4.3)	5.3	10.2	10.0	(7.3)	9.1	8.5	
D	PRESIDENTL RL-A#	AS-PDLA	3	479	4.00	0.80	SEP 1.73 D	5.88	0.0	(43.1)	3.4	13.6	46.9	43.3	2.6	
D	PRESIDENTL RL-B#	AS-PDLB	3	2,825	4.00	0.80	SEP 1.73 D	6.38	10.9	(36.2)	3.7	12.5	59.4	43.3	18.0	
B	PROPERTY CAPITAL	AS-PCT	3	10,088	13.83	1.12	JAN 2.48	12.25	2.1	(25.2)	4.9	9.1	(11.4)	17.9	123.8	
A	PROPERTY TR AMER#	8/28/89 NY-PTR	1	5,071	10.15	0.84	DEC 0.88	8.50	(2.9)	(7.8)	12.3	9.9	(16.3)	6.8	43.1	
B	F-PRU RL CAPITAL #	NY-PRT	1	11,135	1.42 \$	0.00	—	0.00	0.50	(20.0)	(60.0)	0.0	0.0	(64.8)	0.0	5.6
B	F-PRU RL INCOME #	NY-PRTPR	1	11,135	8.00	0.89	DEC 0.89 S	5.75	4.5	3.0	8.3	12.0	(28.1)	8.6	64.0	
NR	RAC MTG INVESTMT	NY-RMR	4	14,450	8.44	0.60	MAR 0.46 U	4.13 X	22.1	(7.2)	9.0	14.5	(51.1)	5.5	59.6	
B	REALTY REFUND	NY-RRF	4	1,021	18.29	1.72	JAN 1.72	14.00	0.9	10.3	8.1	12.3	(23.5)	9.4	14.3	
C	REALTY SOUTH	AS-RSI	3	2,098	10.14	0.32	DEC (0.57) D	4.25	17.2	(28.3)	0.0	7.5	(58.1)	(5.6)	8.9	
B	REIT OF CALIF#	10/20/89 NY-RCT	1	7,356	12.45	1.42	DEC 1.59	14.75 X	1.5	0.1	9.3	9.6	18.5	12.8	108.5	
NR	RESIDENTIAL MTG	AS-RMI	4	4,220	7.73	0.00	DEC (0.10) D	1.88	7.1	36.4	0.0	0.0	(75.7)	(1.3)	7.9	
NR	F-RESORT INCOME INV	AS-RII	5	4,156	11.61	1.50 D	SEP 1.53	8.63 X	(7.7)	(6.2)	5.6	17.4	(25.7)	13.2	35.8	
A	ROCK CTR PROPS #	4/12/90 NY-RCP	5	37,510	16.11	1.88	DEC 1.86	18.50 X	(1.5)	7.9	9.9	10.2	14.8	11.5	693.9	
NR	RPS REALTY TRUST	12/8/89 NY-RPS	5	29,622	6.78	0.80 S	DEC 0.82 U	5.83 X	(0.9)	12.1	6.9	14.2	(17.0)	12.1	166.6	
NR	RYMAC MTG INVSTMT	AS-RM	4	5,409	8.29	1.60	DEC 0.86 D	7.13 X	0.3	9.1	8.3	22.5	(14.1)	10.4	38.5	
A	P-SANTA ANITA	4/28/89 NY-SAR	1	10,966	10.31 \$	2.08	DEC 1.61	27.00	(0.5)	(6.6)	16.8	7.7	161.9	15.8	296.9	
NR	F-SIERA CAP RLY IV#	AS-SZD	1	7,466	7.88 \$	0.30	DEC 0.33	4.00	0.0	(21.7)	12.1	7.5	(49.2)	4.2	29.9	
NR	F-SIERA CAP RLY VI#	AS-SZF	1	3,526	8.17 \$	0.33	DEC 0.28	5.25 X	8.3	(1.7)	18.8	6.3	(35.7)	3.4	18.5	
NR	F-SIERA RE EQ83#	OC-SETBS	1	3,032	7.23 \$	0.35	DEC 0.10	4.00	(8.6)	(36.7)	40.0	8.8	(44.7)	1.4	12.1	
NR	F-SIERA RE EQ84#	OC-SETC	1	4,887	6.79 \$	0.00	DEC (0.28)	2.75	(12.0)	(60.0)	0.0	0.0	(59.5)	(4.1)	13.4	
B	SIZELER PROP INV#	2/24/89 NY-SIZ	1	3,606	18.88	1.56	DEC 1.45 D	14.38	(2.5)	(1.2)	8.9	10.9	(23.9)	7.7	51.8	
C	STORAGE EQUITIES	NY-SEQ	1	10,943	14.41	0.20	DEC 1.01	8.50	9.7	(24.7)	8.4	2.4	(41.0)	7.0	93.0	
NR	TIS MTG INVSTMT	NY-TIS	4	8,100	8.90	1.28	DEC 0.99	7.00 X	6.5	17.7	7.1	18.3	(21.3)	11.1	56.7	
C	F-TRAML CROW REI#	NY-TCR	1	9,075	10.09 \$	0.70	DEC 1.05	4.00	10.3	(24.1)	3.8	17.5	(60.4)	10.4	36.3	
NR	F-TRANSCONTL RLY #	NY-TCI	3	12,827	12.77	0.63	DEC 0.34 U	2.88 X	6.3	(52.5)	8.5	21.9	(77.5)	2.7	36.0	
A	UNIV HEALTH RLY#	12/8/89 NY-UHT	2	7,047	14.11	1.48	DEC 1.72 U	12.25	(5.8)	7.6	7.1	12.1	(13.2)	12.2	86.3	
C	USP RL EST INV#	AS-URT	1	3,880	7.46 \$	0.60 S	DEC 0.40 U	3.50	(9.7)	(41.8)	8.8	17.1	(53.1)	5.4	13.6	
A	UTD DOMINIL RLY#	10/27/89 OC-UDRT	1	11,801	13.86 \$	1.24 S	DEC 1.33	15.75 X	0.4	(5.7)	11.8	7.9	13.6	9.6	182.7	
NR	F-VMS HOTEL INVSTMT	AS-VHT	5	9,863	5.55	0.00 D	DEC (2.54) D	2.13	41.7	(54.3)	0.0	0.0	(61.7)	(45.8)	21.0	
NR	VMS MTG INVSTMT FD	11/24/89 NY-VMG	5	39,709	5.27	0.00 D	DEC (2.75)	2.13	30.8	(63.9)	0.0	0.0	(59.7)	(52.2)	84.4	
NR	VMS S/T INCOME	AS-VST	4	6,918	8.11	0.00 D	DEC (0.39) D	3.00	(7.7)	(48.8)	0.0	0.0	(63.0)	(4.8)	20.8	
NR	VMS STRATEGIC LAND	OC-VLANS	5	11,994	7.26	0.00 D	DEC (0.75) D	2.38	(5.0)	(59.5)	0.0	0.0	(67.3)	(10.3)	28.5	
A	WASH RE (WRI) #	4/21/89 AS-WRE	1	15,478	7.32 \$	1.08	DEC 1.16	18.50	8.0	2.2	15.9	5.8	152.7	15.8	286.3	
D	WEDGESTONE FINCL	8/11/89 NY-WDG	4	5,795	4.32	0.00	DEC (1.86) U	1.88	(21.1)	(16.7)	0.0	0.0	(56.6)	(43.1)	10.9	
A	WEINGARTEN RLY#	10/20/89 NY-WRI	1	16,487	16.00 \$	1.88	DEC 2.11	30.25	(1.2)	19.2	14.3	6.2	89.1	13.2	498.7	
A	WESTERN INV RE#	10/20/89 AS-WIR	1	15,969	14.48 \$	1.42	DEC 1.50	17.25	(5.5)	1.4	11.5	8.2	19.1	10.4	275.5	

## COMPANIES AND MASTER LIMITED PARTNERSHIPS

NR	ABRAMS INDS INC	OC-ABRI	10	2,984	6.80	0.20	JAN 0.54	4.88	(2.5)	12.8	9.0	4.1	(18.8)	9.0	14.6
C	LP-AMER RE PARTNERS	1/12/90 NY-ACP	8	14,361	17.38	2.00	DEC 1.84 U	10.75 X	(6.3)	(10.5)	5.8	18.6	(38.1)	10.6	154.4
L	AMERICANA HOTEL	NY-AHR	L	4,920	9.60	8.00	DEC (0.16)	5.75	(4.2)	0.0	0.0	138.1	(40.1)	(1.7)	28.3
C	AMREP CORP	9/15/89 NY-AXR	7	6,618	10.25	0.00	JAN (0.05)	7.00	(1.8)	(11.1)	0.0	0.0	(31.7)	(0.5)	46.3
NR	ANGELES CORP	AS-ANG	11	2,737	8.20	0.00	DEC (0.48)	5.75	(8.8)	(2.1)	0.0	0.0	(29.9)	(6.0)	15.7
E	VJ-BAY FINCL CORP	NY-BAY	8	3,851	0.24 \$	0.00	SEP (7.47)	0.63	(37.5)	(94.3)	0.0	0.0	180.4	(3112.5)	2.4
C	LP-BURGER KING INV #	1/12/90 NY-BKP	8	4,635	17.07	0.72	DEC 1.72 D	14.25	12.9	13.9	8.3	5.1	(16.5)	10.1	86.0
C	CALPROP CORP	AS-CPP	7	4,630	9.37	0.00	DEC 1.08	6.50	(7.1)	(9.2)	6.0	0.0	(30.6)	11.5	30.1
C	CALTON INC	NY-CN	7	24,578	2.32	0.00	FEB (0.12) U	0.56	(8.9)	(77.5)	0.0	0.0	(75.7)	(5.2)	13.8
NR	CENTENNIAL GROUP	AS-CEQ	10	26,200	5.33	0.00	DEC (0.24)	1.00	(20.0)	(65.2)	0.0	0.0	(81.2)	(4.5)	26.2
A	CENTEX CORP	4/27/90 NY-CTX	6	15,073	28.77	0.40	MAR 4.02 U	38.25	2.0	18.9	9.5	1.0	33.0	14.0	576.5
C	LP-CF INCOME PTNRS #	1/12/90 NY-CFI	8	13,243	6.71	1.00 S	DEC 0.87 U	5.50 X	12.2	(8.8)	6.3	18.2	(18.0)	13.0	72.8
NR	CHAMPION ENTPRS	AS-CHB	12	7,167	4.99	0.00	NOV (1.72)	2.00	0.0	(46.7)	0.0	0.0	(59.9)	(34.5)	14.3
C	CHRISTIANA COS	NY-CST	7	5,192	5.71	0.00	DEC 0.52	9.13	2.8	(6.4)	17.5	0.0	59.8	9.1	47.4
B	CLAYTON HOMES	NY-CMH	12	15,817	8.02	0.00	DEC 1.05	9.63	5.5	11.6	9.2	0.0	59.9	17.4	152.2
E	LP-CMNWLTH MTG AM-A	NY-CMA	9	35,000	(0.15)	0.00	DEC (0.70)	0.16	(28.8)	(82.2)	0.0	0.0	0.0	0.0	5.5
NR	CONGRESS ST PROPS	OC-CSTP	10	1,075	11.78	0.00	FEB (0.70) U	4.00	0.0	(38.5)	0.0	0.0	(86.0)	(5.9)	4.3
C	CONTL HNS HOLDING	OC-COH	7	3,515	8.14	0.00	FEB 0.87	7.50	3.4	76.5	8.6	0.0	(7.9)	10.7	26.4
B	COUNTRYWIDE CRDIT	2/24/89 NY-CCR	9	17,164	6.71	0.28 S	FEB 0.74 U	6.00 X	(11.7)	(3.4)	8.1	4.7	(19.6)	11.0	103.0
D	COVINGTON DEVLPMNT	OC-COVT	7	13,957	0.84	0.00	DEC 0.30	0.78	8.6	(13.8)	2.6	0.0	(7.0)	35.7	10.9
D	DELTONA CORP	NY-DLT	7	5,581	5.40	0.00	DEC 0.67	4.00	(13.5)	(17.9)	6.0	0.0	(25.0)	12.4	22.3
NR	LP-EMERALD HOMES LP	NY-EHP	7	5,225	5.31	0.00	DEC (1.94)	1.50	(25.0)	(66.2)	0.0	0.0	(71.8)	(36.5)	7.8
B	LP-EQK GRN ACRES LP#	1/12/90 NY-EGA	8	10,173	7.42 \$	1.30	DEC 1.30 S	12.38 X	1.6	18.1	9.5	10.5	66.8	17.5	125.9
B	LP-EQUITABLE RE SC #	1/12/90 NY-EQM	8	10,700	8.01 \$	1.06	SEP 1.13	7.00 X	(3.1)	(5.4)	6.2	15.1	(12.6)	14.1	74.9
C	EQUITEC FNCL GP	NY-EFG	11	4,952	1.07	0.00	SEP (1.65)	0.38	(14.4)	(85.0)	0.0	0.0	(85.0)	(154.2)	1.9
D	FAIRFIELD COMM	9/15/89 NY-FCI	7	10,922	7.61	0.00	DEC (2.27) D	3.38	(18.2)	(50.0)	0.0	0.0	(55.7)	(29.8)	36.9
A	FED NATL MTG	8/11/89 NY-FNM	9	238,890	12.52	0.72 U	MAR 3.33 U	34.88 X	(0.2)	63.1	9.8	2.1	176.6	28.2	8271.6
NR	FIRST CAROLINA	OC-FCAR	10	635	34.12	0.50	DEC 2.57 U	35.00	0.0	18.3	13.6	1.4	2.8	7.5	22.2
B	FLEETWOOD ENTER	9/25/89 NY-FLE	12	22,557	18.23	0.76	JAN 2.42	25.63 X	9.3	2.0	10.6	3.0	40.6	13.3	578.0



RANK	NAME	REVIEW/ EXCHANGE/ ADVICE SYMBOL	GRP	SHARES (000)	BOOK VALUE	ANN DIV	-EARNINGS- MON 12 MO	PRICE Apr 25	TOTAL RET. 3/21/90	FROM- 4/26/89	P/E RATIO	%ANN YIELD	%PRICE TO BOOK	RETURN ON BOOK	MKT VAL MIL \$
B	FOREST CITY-A#	9/15/89 AS- FCE.A	8	5,102	30.93	0.42	OCT 4.47	35.75	(6.2)	(15.6)	8.0	1.2	15.6	14.5	182.4
B	FOREST CITY-B#	9/15/89 AS- FCE.B	8	3,890	30.93	0.36	OCT 4.47	36.50	(3.3)	(14.3)	8.2	1.0	18.0	14.5	142.0
C	LP- FORUM RET PFD UN#	6/14/89 AS- FRL	8	6,510	8.74	0.28	D SEP 0.58	2.50 X	(28.6)	(22.5)	4.3	11.2	(71.4)	6.6	16.3
NR	FPA CORP	AS- FPO	7	4,011	7.52	0.00	DEC (1.14)	1.83	18.2	(65.8)	0.0	0.0	(78.4)	(15.2)	8.5
E	VJ- GENERAL DEVLPMT	4/12/90 NY- GDV	6	8,462	19.58	0.00	SEP 0.42	1.63	(58.1)	(80.1)	3.9	0.0	(91.7)	2.1	13.8
D	GENERAL HOMES	NY- GHO	7	15,000	(10.35)	0.00	DEC (9.92)	0.44	75.2	(85.0)	0.0	0.0	0.0	0.0	6.6
B	LP- GOULD INVSTRS LP#	9/29/89 AS- GLP	8	1,075	17.40	0.00	DEC 1.07	42.00	(6.7)	(30.0)	39.3	0.0	141.4	6.1	45.2
C	GRUBB & ELLIS CO	NY- GBE	11	16,224	5.18	0.00	DEC 0.03	4.00	(11.1)	6.7	133.3	0.0	(22.8)	0.6	64.9
NR	HAMMOND CO	OC- THCO	9	1,664	5.27	0.10	S DEC 0.16	4.38 X	8.5	30.7	27.3	2.3	(17.0)	3.0	7.3
NR	HENLEY PROPS INC	1/26/90 OC- HENP	7	18,914	7.11	0.00	DEC 0.30	7.00	(15.2)	3.7	23.3	0.0	(1.5)	4.2	132.4
L	P- HOTEL INVESTORS	10/27/89 NY- HOT	L	12,132	8.22	1.00	S DEC (4.97) D	3.50 X	(21.1)	(46.3)	0.0	28.6	(57.4)	(60.5)	42.5
C	HOVNANIAN ENTR	4/12/90 AS- HOV	7	20,854	6.10	0.00	NOV 0.95	5.38	(15.7)	(43.4)	5.7	0.0	(11.9)	15.6	112.1
NR	INDIANA FNCL INV	OC- IFIL	8	905	13.78	0.00	DEC 1.17	7.25	3.6	0.0	6.2	0.0	(47.4)	8.5	6.6
A	LP- INTERSTATE GEN CO	3/23/90 AS- IGC	8	9,900	3.91	0.80	DEC 1.27	8.50	(2.9)	17.6	6.7	9.4	117.4	32.5	84.2
NR	VJ- INTL AMER HOMES	OC- HOME	7	6,811	3.80	0.00	DEC (0.74)	0.16	(58.4)	(87.5)	0.0	0.0	(95.9)	(19.5)	1.1
L	JMB REALTY	OC- JMBRS	L	1,423	10.54	1.10	L NOV 0.33	6.25	(16.7)	(16.3)	18.9	17.6	(40.7)	3.1	8.9
A	KAUFMAN & BROAD HM	4/12/90 NY- KBH	6	27,663	6.76	0.30	FEB 2.42	12.50	(2.0)	6.7	5.2	2.4	84.9	35.8	345.8
A	KOGER PROPS#	3/10/89 NY- KOG	8	26,567	8.89	2.80	DEC 2.77	20.50 X	(4.7)	(13.3)	7.4	13.7	130.6	31.2	544.6
C	LP- LA QUINTA MTR IN#	1/12/90 NY- LQP	8	3,975	15.50	2.00	DEC 1.29 U	6.50	(3.7)	(16.0)	5.0	30.8	(58.1)	8.3	25.8
C	LANDMARK LAND	9/15/89 AS- LML	10	7,996	1.34	0.00	DEC (4.37) D	12.00	(11.1)	(35.4)	0.0	0.0	795.5	(326.1)	96.0
C	LEISURE+TECH	11/24/89 NY- LVX	7	5,433	5.09	0.00	DEC (0.20)	1.75	(22.2)	(69.6)	0.0	0.0	(65.6)	(3.9)	9.5
A	LENNAR CORP	4/12/90 NY- LEN	6	6,690	25.85	0.24	S FEB 2.55 D	17.38	(11.5)	(19.0)	6.8	1.4	(32.8)	9.9	116.2
NR	LOAN AMER FNCL-B	OC- LAFCB	9	1,987	8.18	0.00	DEC 0.43	4.75	0.0	(9.5)	11.0	0.0	(41.9)	5.3	9.4
E	VJ- LOMAS FINANCIAL	9/29/89 NY- LFC	9	29,914	(7.94)	0.00	DEC (12.47)	0.75	50.0	(91.2)	0.0	0.0	0.0	0.0	22.4
C	MT SCHOTNSTN HMS	OC- MIHO	7	5,920	3.80	0.00	DEC 0.94	7.00	0.0	36.6	7.4	0.0	84.2	24.7	41.4
NR	MAJOR REALTY	OC- MAJR	7	6,928	3.28	0.00	DEC 0.29 D	11.50	17.8	(9.8)	39.7	0.0	250.6	8.8	79.7
NR	MAY DEPT STORES	NY- MA	10	124,385	16.42	1.58	JAN 3.52	49.88	2.8	31.5	14.2	3.2	203.7	21.4	6203.7
NR	MCA INC	NY- MCA	10	73,464	25.33	0.68	MAR 2.67 U	57.00 X	13.2	3.0	21.3	1.2	125.0	10.5	4187.4
D	MDC HOLDINGS	NY- MDC	6	19,065	7.33	0.00	DEC (1.80) D	0.88	(22.2)	(53.3)	0.0	0.0	(88.1)	(27.1)	16.7
NR	MISSION WEST PR	AS- MSW	7	1,501	12.58	0.36	S FEB (0.47)	9.00	20.0	1.2	0.0	4.0	(28.5)	(3.7)	13.5
L	MONY RL EST INV	NY- MYM	L	10,839	7.58	2.00	FEB 1.34 U	4.38 X	(10.5)	(14.8)	3.3	45.7	(42.3)	17.7	46.5
L	MSA REALTY CORP #	8/25/89 AS- SSS	L	8,647	6.48	0.60	DEC 0.25 D	6.25	(10.7)	(3.9)	25.0	9.6	(3.5)	3.9	54.0
NR	NATIONAL ENTPRS	NY- NEI	12	7,138	1.00	0.00	SEP (1.14)	0.50	(11.2)	(42.9)	0.0	0.0	(50.0)	(114.0)	3.6
C	LP- NATIONAL REALTY	8/25/89 AS- NLP	8	8,745	(3.28)	0.00	DEC (3.59) D	4.00	6.7	(48.2)	0.0	0.0	0.0	0.0	35.0
A	LP- NEWHALL LAND	9/29/89 NY- NHL	10	37,950	3.64	0.80	S MAR 1.87 U	30.25	2.1	6.4	16.2	2.6	731.0	51.4	1148.0
C	LP- NVR LP	4/27/90 AS- NVR	6	27,169	4.87	0.60	DEC 1.02	3.63	(9.4)	(37.0)	3.6	16.6	(25.6)	20.9	98.5
B	OAKWOOD HOMES	NY- OH	12	5,204	10.22	0.08	DEC 0.65	8.88	20.3	8.9	13.7	0.9	(13.2)	6.4	46.2
B	ORIOLE HOMES-A	5/26/89 AS- OHC.A	7	1,916	14.85	0.65	MAR 1.82 D	8.50	(8.1)	(16.4)	4.7	7.6	(42.0)	12.4	16.3
B	ORIOLE HOMES-B	5/26/89 AS- OHC.B	7	1,883	14.85	0.70	MAR 1.82 D	8.50	(4.2)	(15.0)	4.7	8.2	(42.0)	12.4	16.0
NR	PAGESETTER HOMES	4/12/90 OC- PACE	7	1,508	9.08	0.00	DEC 2.43 U	10.00	37.9	122.2	4.1	0.0	10.1	26.8	15.1
NR	PARKWAY COMPANY	OC- PKWY	10	1,312	26.95	0.80	DEC (0.10)	12.50	0.0	(16.9)	0.0	6.4	(53.6)	(0.4)	16.4
NR	PATTEN CORP	NY- PAT	7	17,060	4.92	0.00	DEC (0.18)	1.63	(7.1)	(46.1)	0.0	0.0	(67.0)	(3.7)	27.7
B	PERINI INV PR#	9/15/89 AS- PNV	8	3,879	5.13	0.60	DEC 1.35	12.50	1.0	(19.4)	9.3	4.8	143.7	26.3	48.5
C	PETERS(JM) CO INC	4/12/90 AS- JMP	7	13,980	9.23	0.00	FEB 1.81 D	7.63	(16.4)	(16.4)	4.2	0.0	(17.4)	19.6	106.6
C	PHM CORP	4/27/90 NY- PHM	6	25,290	12.06	0.12	DEC 2.02	9.13	9.0	(33.4)	4.5	1.3	(24.5)	16.7	230.8
C	LP- PRIME MTR INN LP#	1/26/90 NY- PMP	8	4,000	19.42	2.08	SEP 2.58	7.63 X	(18.6)	(34.8)	3.0	27.3	(60.7)	13.3	30.5
D	PUNTA GORDA	AS- PGA	7	3,317	(2.85)	0.00	SEP (1.76)	0.38	(25.0)	(76.9)	0.0	0.0	0.0	0.0	1.2
NR	READING CO-A	OC- RDGCA	8	5,072	11.22	0.00	DEC 3.29 D	13.25	0.0	(5.4)	4.0	0.0	18.1	29.3	67.2
C	LP- RED LIONS INNS #	1/26/90 AS- RED	8	4,312	17.80	2.10	S DEC 2.10	15.00 X	(7.3)	12.7	7.1	14.0	(16.2)	11.7	64.7
NR	ROCKWOOD NATL	PS- RNC	7	9,828	2.00	0.00	DEC (0.58)	0.38	0.0	(72.7)	0.0	0.0	(81.3)	(29.0)	3.7
A	ROUSE CO#	9/15/89 OC- ROUS	8	47,973	6.18	0.60	DEC 1.29	24.75	3.1	(6.7)	18.2	2.4	300.5	20.9	1187.3
A	RYLAND GROUP	4/27/90 NY- RYL	6	12,268	16.59	0.60	DEC 4.30	20.00 X	(0.5)	9.9	4.7	3.0	20.6	25.9	245.4
NR	SANTA FE PACIFIC	NY- SFX	10	157,871	5.39	0.10	MAR (1.48) D	21.13	4.3	(6.7)	0.0	0.5	291.9	(27.5)	3335.0
B	LP- SHOPCO LAURL CTR#	1/12/90 AS- LSC	8	4,660	7.73	1.12	SEP 1.07	7.88 X	(6.8)	(6.7)	7.4	14.2	1.9	13.8	36.7
B	SKYLINE CORP	NY- SKY	12	11,217	13.81	0.48	FEB 1.04	14.38	1.8	(19.2)	13.8	3.3	4.1	7.5	161.2
E	VJ- SOUTHWEST RLT#	4/12/90 NY- SM	10	47,750	(24.99)	0.00	DEC (33.87)	0.09	22.9	(90.2)	0.0	0.0	0.0	0.0	4.1
D	LP- SOUTHWEST RLT#	9/29/89 AS- SWL	8	4,087	3.70	0.00	DEC (0.23) D	1.00	(11.1)	23.0	0.0	0.0	(73.0)	(6.2)	4.1
NR	STARRETT HOUSING	AS- SHO	7	6,456	5.27	0.00	DEC 0.74 U	6.63	(5.4)	(11.7)	9.0	0.0	25.7	14.0	42.8
A	LP- STD PACIFIC LP	11/10/89 NY- SPF	6	27,073	8.59	1.80	S MAR 3.69 D	13.00	(8.0)	1.5	3.5	13.8	51.3	43.0	351.9
NR	TEJON RANCH CO	11/24/89 AS- TRC	10	12,682	2.43	0.05	DEC 0.20	45.88	11.9	2.6	229.4	0.1	1787.9	8.2	581.8
NR	TIERCO GP INC	OC- TIER	8	2,126	(6.88)	0.00	SEP (13.38)	0.50	0.0	(50.0)	0.0	0.0	0.0	0.0	1.1
C	TOLL BROS	4/27/90 NY- TOL	6	29,683	2.06	0.00	JAN 0.45	3.38	0.0	(18.2)	7.5	0.0	14.0	15.2	100.2
B	LP- UDC-UNIVRSL DEV	4/27/90 NY- UDC	7	7,186	5.12	3.30	DEC 4.85	22.38	(8.2)	26.9	4.6	14.7	337.0	94.7	160.8
NR	UNICORP AMER	AS- UAC	10	17,300	2.44	0.00	DEC (5.61) D	0.50	(55.6)	(80.2)	0.0	0.0	(79.5)	(229.9)	8.6
D	UNION VALLEY CORP	AS- UVC	7	3,560	5.08	0.00	DEC 0.07	1.88	(40.0)	(75.4)	26.8	0.0	(83.1)	1.4	8.7
D	US HOME CORP	4/27/90 NY- UH	6	44,031	4.19	0.00	DEC 0.03	1.13	(10.0)	(40.0)	37.5	0.0	(73.2)	0.7	49.5
L	VINLAND PROPERTY	OC- VIPTS	L	5,968	1.67	0.00	NOV (1.07)	0.28	(35.8)	(43.8)	0.0	0.0	(83.2)	(64.1)	1.7
NR	LP- VMS MORTGAGE INV	OC- VMLPZ	9	7,629	4.20	0.00	D DEC (4.20) D	1.13	28.6	(75.5)	0.0	0.0	(73.2)	(100.0)	8.6
NR	WASHINGTON CORP	PH- TWC.X	7	1,739	4.57	0.08	DEC (1.35) D	3.75	(3.2)	(45.4)	0.0	2.1	(17.9)	(29.5)	6.5
B	WEBB (DEL) CORP	4/12/90 NY- WBB	6	9,428	7.58	0.20	MAR 1.30 U	10.63 X	(3.0)	(23.8)	8.2	1.9	40.2	17.2	100.2
NR	LP- WINTHROP INS MTG	AS- WMI	9	3,868	12.27	1.38	DEC 1.23	13.13 X	2.6	10.7	10.7	10.4	7.0	10.0	50.8
D	WRITER CORP	OC- WRTC	7	4,400	0.23	0.00	SEP (2.18)	0.75	33.2	50.0	0.0	0.0	226.1	(947.8)	3.3

## SYMBOLS &amp; ABBREVIATIONS

RANKINGS: A - Strongest in EPS/CFS/dividend growth, financial/liquidity position, and competitive posture in business segment. Buy; B - Above average in EPS/CFS/dividend growth, financial/liquidity position, and competitive posture in business segment. Above average market performer/buy; C - Average but some volatility apparent in EPS/CFS/dividend growth, financial/liquidity position, and open to competitive pressures. Speculative buy; D - Below average with high volatility in EPS/CFS/dividends, financial/liquidity pressures with some illiquidity, and less competitive business position. More speculative buy; E - Sustained losses and cash flow, illiquidity, and possible bankruptcy filing. Most speculative buy. NR = Not Ranked. Z = Audit or affiliates involved in pending transaction. New EPS or Dividend: U=Up. D=Down. S=Unchanged. I=Initial. X=Ex Dividend. # = Cash Flow (EPS plus noncash charges). Book value for cash flow entities includes accum. depreciation. Last bid prices used for OTC. P=Paired stock. \$=Current appraised value reported see p. 7. F=Finite life REIT. LP=Limited partnership. L=Liquidating. VJ=In bankruptcy reorganization.

ADJUSTED: Continental Mtg. & Equity and National Income Realty Trust 1-for-3 reverse split 3/26/90. NAME CHANGE: Emerald Mtg. Investments to Homeplex Mortgage Investments Corp. DELETED: U.S. Realty Partners L.P.